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HOW TO ATTACK THE TARIFF.

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WAYS AND MEANS COMMITTEE OF THE HOUSE
OF REPRESENTATIVES.

DURING the first session of the Fiftieth Congress the House of Representatives was Democratic and the Senate was Republican. Mr. Cleveland was President. The first session of that Congress assembled on the first Monday in December, 1887, and adjourned on the 20th day of October, 1888. The presidential election occurred in November thereafter. The Committee on Ways and Means of the House of Representatives of that Congress reported a measure for a general revision of the tariff, known as the Mills Bill. The general debate on that bill began in the House on the 17th day of April and occupied twenty-three day-and-evening sessions. In all, 151 speeches were made during the general debate. The debate upon the bill by paragraphs began on the 31st day of May; and twenty-eight days, or 128 hours and 10 minutes, were occupied in the five-minute debate. The vote was taken upon the passage of the bill in the House on the 19th day of July.

The bill then went to the Senate, where considerable time was spent in so-called "hearings" by the Finance Committee of that body. The result was inevitable from the beginning; namely, that there was no tariff legislation enacted, and the session of Congress was prolonged until the 20th day of Oc-

tober, as already stated. As the presidential election occurred within a few days thereafter, there was no time whatever for the proper consideration of this measure by the people. Whatever may have been the cause of Democratic defeat at that election, it must be conceded that the introduction and passage through the House of a general bill of tariff revision did not produce the effect which the friends of the measure had earnestly desired, namely, the choice of a Democratic President and a Democratic Congress at the ensuing election.

During the last Congress, which was Republican in both branches, and during which time there was a Republican President, a measure for a general revision of the tariff, known as the McKinley Bill, was passed at the first session and was approved on the day of adjournment, October 1, 1890.

It is conceded that the time necessary for the preparation and passage through both Houses of Congress of a carefully matured revision of the tariff required both of the preceding Congresses to consume upon that subject the time which was actually occupied, and which in both cases resulted in the prolongation of the session until the 20th and the 1st of the month of October, respectively.

The Republicans in the late Congress, at its beginning, were undoubtedly of the opinion that the interests of their party required that there should be a general revision of the tariff passed during that session, and fondly hoped that such general revision would bring success to their party at the ensuing congressional election. They were sadly disappointed. The result of the ensuing election for Members of Congress was most disastrous to the party that was responsible for the passage of the McKinley Bill; the Democrats and Independents, both opposing that measure, having elected a majority of 158 over those who supported it.

However meritorious the Mills Bill may have been from a Democratic standpoint, or however meritorious the McKinley Bill may have been from a Republican standpoint, it is nevertheless true that the time which elapsed between the passage of each bill and the ensuing election was not sufficient to enable the people to become sufficiently familiar with the provisions of either measure, and, being in doubt, caution doubtless suggested the preservation of the *status quo*.

In view of these precedents in tariff legislation, what should be the policy of the Democratic majority in the House of Representatives of this Congress? If both branches of Congress and the President were Democratic, there would be grave doubt as to the propriety of attempting a general revision of the tariff immediately preceding a presidential election. The disastrous results to the Republican party which immediately followed the passage of the McKinley Bill ought to teach Democrats to avoid the rocks upon which their opponents were dashed to pieces. But when we consider the fact that the Senate is Republican, and that there is a Republican President, and that any such measure which might pass the House would not have the slightest prospect of success, it seems almost self-evident that a general revision of the tariff should not be attempted during this session. As recently stated by a distinguished tariff-reform organ in the city of New York, "to propose in the House at this session, on the eve of a national election, a general revision of the tariff, might be magnificent, but it would not be war, such as must be waged for victory. It would in no sense advance the object professed; it would not make the devotion of the party to the principles of industrial and commercial emancipation a whit clearer than it is now. It would not make the necessity or advantage of the triumph of those principles any more obvious. It is not at all requisite to inform the country what the Democratic party believes in and is working for. It would be simply a tactical error of the gravest possible kind. It would be to abandon a strong aggressive position for a position of defence that would not be strong. It would instantly invite the concerted opposition of every interest now depending on the favors of the present tariff, and give to the opponents of every item in the bill the combined strength of the opponents of all." These propositions are absolutely unassailable.

While a general revision of the tariff should not be reported and passed at this session of Congress, yet it does not follow that nothing should be done on this subject. The Committees on Ways and Means and on Manufactures should proceed at once to a careful investigation of the practical workings of the McKinley Bill and of the conditions of our manufacturing industries. This information should be utilized in the preparation of a measure of general relief upon this subject; but as such measure could

not be passed except by a prolongation of the session,—even if it were desirable to pass it at all at the first session,—in view of the precedents of the past, sound policy would require that it should not be reported to the House until the beginning of the next session. Some progress could be made during that session in its consideration, but a definite line of policy to be pursued at that time would depend upon the result of the presidential election. If either branch of the Fifty-third Congress should be Republican,—a fact which will be determined at that election,—it would be futile to attempt to pass a measure of general revision during the remainder of this Congress or during the next Congress. If, however, the Fifty-third Congress should be Democratic, and a Democratic President should be elected, the new Congress might with great propriety be called in extraordinary session on the 4th day of March, 1893, and the work of tariff revision could then be begun in earnest, with a certainty of practical and successful results. Such early revision at the beginning of a presidential term would enable the country to become thoroughly familiar with the great advantages of a genuine revision of the tariff prior to any general election, and the party which was responsible for such revision might confidently expect the continued support of a majority of the American people in subsequent elections of Congresses and Presidents.

There are several features of the McKinley Bill which may be amended or repealed during this session. The Republican Senate and the President would hardly take the responsibility of refusing some of the measures of relief which may be brought forward and passed by the House of Representatives. The particular measures which should be selected for passage through the House should be determined either by the Committee on Ways and Means or by a caucus of Democratic members. There are several, however, which have already received favorable mention in the press of the country: such as placing wool on the free list and repealing the compensatory duty on woollen goods; placing on the free list binding-twine, cotton-ties, lumber, salt, and raw materials generally. The discussion in this article of particular subjects which should have consideration at this time would perhaps be unprofitable; but there is one measure which is of overshadowing importance, and which should receive immediate and favorable consideration.

The placing of wool on the free list and a corresponding reduc-

tion of the duties on woollen goods are a matter the importance of which cannot be overestimated. The duties on woollen goods were increased by the McKinley Bill from an average of 67.15 per centum to 91.65 per centum. The increase on wool was from 34.32 to 40.66. The duties imposed on woollen goods are of a two-fold character: first, there is a duty per pound or per square yard, which is intended to compensate manufacturers for the higher price which they claim they must pay for wool by reason of the tariff; and second, a duty *ad valorem*, being, as is alleged, imposed to compensate for the higher-priced labor of this country as compared with foreign countries. The duties per pound or per square yard are especially burdensome upon the cheaper grades of goods worn by the masses of the people. These specific duties frequently amount to over 100 per centum of the value, and, in some cases, to over 200 per centum. If these specific or compensatory duties are repealed, the *ad-valorem* duties only will remain, and these do not exceed in any case 60 per centum, and are frequently as low as 35 per centum; the average, perhaps, would amount to 45 per centum. This is the amount of protection which the friends of the protective system have adjudged is necessary to prevent injurious competition from abroad. But if wool is placed upon the free list, and the compensatory duties upon woollen goods are repealed, the manufacturers of woollen goods will have no reason to complain of their new conditions; on the contrary, while the people will get the benefit of a reduction of more than one-half of the tariffs on woollen goods, manufacturers will have the benefit of cheaper material and will be enabled to sell their products abroad in competition with the products of other countries. Thus, a larger market will be secured for woollen goods; there will be a greater demand for labor in establishments of this kind; and new industries, it is confidently expected, will spring up in all parts of the country.

It is next to impossible to estimate accurately the amount which the consumers of the United States pay annually on account of woollen goods. The amount of such goods made in the woollen mills for the census year 1890 was valued at \$344,000,000. This does not include the output of ready-made clothing establishments for men and women; nor does it include the cost, to consumers, of the work done by tailors and dressmakers; nor the labor

bestowed in the manufacture of woollen goods in the families of the country. The amount of woollen goods imported into the United States for the year 1890 was valued at over fifty-six millions of dollars, and the average duty paid upon these goods was 67 per centum,—the McKinley Bill not having been passed at the close of that fiscal year. The output of factories and ready-made clothing establishments, and the amount of goods imported, with the tariff added to them, is given at factory or wholesale prices. The amount paid by consumers will undoubtedly be increased at least 25 per centum over such prices.

When all these facts are taken into consideration, it will be seen that the consumers of woollen goods in the United States paid during the census year of 1890, in money and in labor, at least \$750,000,000 for the woollen goods actually consumed and purchased. Just how much of this amount is due to the tariff on wool and woollen goods cannot be estimated with accuracy, but it is reasonable to assume that not less than \$150,000,000 of this cost is due to the tariff on wool and woollen goods. At least half of this amount would be lifted from the shoulders of the people annually by placing wool upon the free list and repealing the compensatory duties on woollen goods. This estimate does not take into consideration the large increase in the tariff on wool and woollen goods made by the McKinley Bill.

So far as wool is concerned, the McKinley Bill has completely failed to accomplish the object which its authors claimed they had in view. In the report which accompanied the bill, when it was brought into the House of Representatives, it was stated that in every case of increased duty, except upon tin-plate and linen fabrics, “importations would fall off.” It was stated to be the aim of the committee to fix the duties upon manufactured goods and farm products so as to discourage the use of like goods and products and give our producers the benefit of the home market ; and also to afford ample protection to the farmers of the country engaged in wool-growing. The protection on wool, which the bill secured, was claimed to be sufficient, beyond a doubt, to enable the farmers of the United States, at an early day, to supply substantially all the home demand. This was the argument made by the authors of the bill to justify the imposition of increased duties upon wool, and, as a compensation for this, increased duties on woollen goods.

Time is a cruel arbiter. It is no respecter of persons. It visits upon false theories and false pretences the judgments which they deserve. The statement of the imports of the United States, furnished by the Bureau of Statistics of the Treasury Department, shows that the imports of wool for the ten months ending October 30, 1890 (the McKinley Bill took effect October 6, 1890), amounted to 88,000,000 pounds, while the imports for the ten months the ending October 30, 1891,—the ten months next after the passage of that bill,—were over 119,000,000 pounds, an increase of over 30 per centum. Thus are the theories upon which the McKinley Bill was constructed crushed by the irresistible force of facts.

But this is not all. The increased duties on woollen goods were, as claimed, made necessary by the increased duties on wool. The manufacturers of woollen goods were satisfied with the old law; but if the duty on wool was to be increased, they must be compensated by an increased duty on woollen goods. The increase was made, as stated above. The statistics show that for the ten months ending October 30, 1890, the imports of woollen goods were valued at over \$49,000,000, while those for the ten months ending October 30, 1891, were valued at only \$29,000,000, a decrease of over 41 per centum. It also appears that the price of wool has averaged from two to three cents a pound less since the passage of the McKinley Bill than it was when the bill passed. The only beneficiaries of the measure are the manufacturers of woollen goods, and it is doubtful whether they will, in the end, receive substantial benefit therefrom. The wool-growers and consumers of woollen goods have not been benefited; on the contrary, they have been greatly injured thereby.

Legislators who regard the interests of the people cannot disregard these facts. It is their duty to apply a remedy for existing evils, and to correct the blunders of their predecessors. Every consideration of the public weal demands that wool shall be placed on the free list, and that the compensatory duties on woollen goods shall be repealed. If the present Congress does not respond to this demand, it will be derelict in duty.

A measure which would bring such immediate and substantial relief will not be regarded with indifference. It would "bring relief to the consumer as well as the manufacturer, and redound to the prosperity of the wage-worker as well as the capitalist."

The other measures which may be passed by the House of Representatives during the first session of this Congress, and to which reference has already been made, will attract universal attention and be received with great favor. They will remove the most glaring inequalities of our tariff laws, and bring immediate relief to those most entitled to consideration. They will be especially aimed at monopolies and other combinations to limit production and oppress labor.

It is futile to attempt that which cannot be accomplished. A good general will not waste his ammunition and resources in assaults upon an impregnable fortress when there are forces of the enemy encamped upon the open field within convenient reach. The friends of tariff reform should waste no time in endeavoring to secure that which is beyond their reach. Their time can be well employed in attacking the weak and exposed points of their enemy's lines. By pursuing this course there will be no step backward in the cause of genuine tariff reform. Everything should be done, and will be done, to bring about a thorough and complete revision of our tariff laws at the earliest time practicable. Such revision should be in the interest of the consumers of the country, but brought about by such conservative methods as will not embarrass any legitimate industry in the country, or deprive labor of one day's employment or of one cent of its just remuneration. On the contrary, any revision of the tariff ought to be followed by increased stimulus to industries, increased demand, and better wages for labor; and by lower prices for manufactured articles which are most necessary to the health and comfort of the people.

Some objection has been urged to any effort being made by the House of Representatives to secure the passage of separate measures upon the subjects indicated, for the reason that the credit for the beneficent results which would follow would be claimed and shared, perhaps, by the Republican Senate and the Republican President. Such considerations should not have the slightest weight with legislators who desire to promote the best interests and welfare of the people. Should Democrats refuse to give sanction and support to only such measures as Republicans will oppose? If so, only measures of partisan advantage should be supported, while such as would commend themselves to men of all parties should be avoided. Even if the Republicans should

be entitled to equal credit for any measures of reform that might be passed by this Congress, Democrats should not hesitate on that account to press those measures to a final and successful issue.

But, in view of the fact that the Republican party is thoroughly committed to all the provisions of the McKinley Bill, any repeal or modification of its provisions which might originate in the House of Representatives and be favorably considered by the Senate and President would be regarded as a Democratic measure, the credit for which would be accorded to that party almost exclusively. If, however, any measures which may pass the House should fail in the Senate, or, having passed the Senate, should be vetoed by the President, the labor spent upon them would not be in vain. The National Democratic Convention could make a direct issue upon them before the people at the presidential election; and, having failed to pass during the first session, they would, in all probability, be successful at the second, after the people had, in effect, demanded their passage in the election of a Democratic President and a Democratic Congress.

An issue thus directed to the weakest points of the McKinley Bill would be much easier of comprehension and more conducive to successful, aggressive warfare than one encumbered by the endless details of a general revision of the tariff, requiring defensive arguments, and arraying the whole protected industries of the country upon the weakest points of the measure. The importance of preserving the McKinley Bill as a distinctive issue in the Presidential campaign should not be lost sight of. Its general provisions are wholly indefensible; it deprives labor of its just reward, fosters monopolies, and encourages combinations of capital to limit production and to control prices. It was enacted in the interest of the favored few and for the oppression of the masses of the people. Opposition to the objectionable features of this measure, coupled with a demand for genuine tariff reform, should be the paramount and overshadowing issue in the Presidential contest; and, upon that issue, the Democratic party is already assured of success, not only in the election of a President, but of a Congress Democratic in both branches.

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